

The finance committee met in the Forum Room on March 2, 2023 at 5:00 p.m. with the following present: Barb Neprud, Beth Hautala and Kim Coughlin. Jamie Skjeveland and Bill Tollefson were also present.

2022-2023 Enrollment – The committee received the enrollment report through the first Friday in March of the 2022-2023 school year. As end-of-year enrollment reporting to MDE starts, the process of verification of weekly enrollment reporting to data from the student information system used to report data to MDE starts. The weekly enrollment counts at the high school were higher than the data reported to MDE, so the data was reviewed and corrections were made to the weekly enrollment. The result is two-fold – first, the March 3 enrollment dropped by five students compared to the February report and second, it can be assumed that the weekly enrollment for 2022-2023 to this point was likely higher than actual, resulting in an average enrollment that is higher than will be attained. These factors will be considered as the enrollment projection for the 2022-2023 Revised Budget is finalized.

Budget Recommendations for 2023-2024 – The committee discussed the budget update report provided by Superintendent Skjeveland at the February Board meeting. The committee affirmed their intention to support the recommendations provided within that report, which included:

- Rely on the strategic plan
- Wait until the end of the legislative session
- If the projected deficit exceeds \$300,000, plan for a 2023 operating referendum
- If the decision is to make budget reductions, leverage community focus groups (sports, electives, elementary class size)

An additional item was added to the list, based on discussion at the February School Board meeting at the March finance committee meeting. That item is to:

- Engage in ongoing development of prioritized reduction lists in preparation for the potential 2024-2025 funding cliff.

The committee was comfortable with waiting, while continuing to work on lists from administration. The concept of using the School District's branding as an additional criteria to decision making was also considered. The need to start communicating the School District's needs in advance preparation for a potential operating referendum was also discussed.

2023-2024 Staffing – The committee received a listing of positions currently being funded by federal COVID grants. These positions will have to be reincorporated into the unassigned General Fund budget as COVID funding starts to expire. ESSER II funding will expire September 30, 2023. There is enough ESSER III funding to shift the current ESSER II positions to ESSER III for 2023-2024, but then ESSER III funding will expire September 30, 2024. This creates the potential funding cliff for 2024-2025.

The committee also received information regarding the 2023-2024 planning for Title I. In 2022-2023, there were five teaching positions included under Title I, II and IV funding. Some of these positions were funded by using excess carryover of Title funds from 2021-2022 to 2022-2023. These carryover funds were the result of needing to move the cost of Title I teachers subbing in 2021-2022 out of Title I and charged to the unassigned General Fund. This created a carryover that exceeded the 15% federal funds carryover limit for Title I, so the School District used its' carryover waiver (which can only be used once in a three-year cycle). In addition, there was a shift from using only the Title IV carryover in the current year to using both the Title IV carryover and the current year allocation in 2022-2023. This will mean that the 2023-2024 Title funding will be almost exclusively based on 2023-2024 current year entitlements, which will not be known until May, June or July 2023. In the meantime, the staffing plans is to return to three teachers in Title I for 2023-2024.

The committee was also reminded of timing for staff reduction. Timing differs depending on whether the teacher has attained tenure or not. Non-tenured staff can be non-renewed, while tenured staff must be proposed for placement on unrequested leave of absence (ULA), which involves many more technical steps and a longer timeframe. A number of non-tenured staff will be non-renewed for 2023-2024, with that process starting in March.

ADSIS 2023-2024 and 2024-2025 Application – The committee was updated on the status of the Alternative Delivery of Specialized Instructional Services (ADSIS) application for 2023-2024 and 2024-2025. ADSIS funds are intended as an intervention program for students that might otherwise qualify for special education services; it is not intended to be applied more broadly to address more ubiquitous areas of improvement. There are three areas of qualifying interventions – behavior, reading and math – and the interventions need to be Tier 2 interventions focused on specific students and not the broader general student population. To-date, under the Crow Wing County Family Services Collaborative, the focus has been on behavior interventions. With the elimination of the collaborative, the School District will now start to also look to add math and reading interventions to the application, starting in 2023-2024. The committee discussed the future of this program and the changes in the way the behavior interventions are accomplished and staffed. It is anticipated that there will be changes to the behavior intervention model that were started in 2022-2023 and will continue to be staffed differently and with a different, non-social worker approach, in the future.

The meeting adjourned at 6:25 p.m.

Respectfully prepared and submitted by William Tollefson